

KENTUCKY ENERGY WATCH

A weekly update of energy issues & prices

Media Excerpts: A snapshot of state and national energy issues

Americans Gaining Energy Independence with U.S. as Top Producer — The U.S. is the closest it has been in almost 20 years to achieving energy self-sufficiency, a goal the nation has been pursuing since the 1973 Arab oil embargo triggered a recession and led to lines at gas-line stations. Domestic oil output is the highest in eight years. The U.S. is producing so much natural gas that, where the government warned four years ago of a critical need to boost imports, it now may approve an export terminal. Methanex Corp. (MX), the world's biggest methanol maker, said it will dismantle a factory in Chile and reassemble it in Louisiana to take advantage of low natural gas prices. And higher mileage standards and federally mandated ethanol use, along with slow economic growth, have curbed demand. (Bloomberg, February 6, 2012)

GE Opens First New Manufacturing Operation in Louisville, Ky. in Over 50 Years — GE Appliances today announced the opening of its GeoSpring(TM) Hybrid Water Heater manufacturing facility at Appliance Park in Louisville, Ky. -- the first to open there since 1957. The \$38 million investment in the new product and a revitalized facility is the first milestone in commitments GE has made since 2009 to invest a total of \$1 billion (\$800 million in Louisville) and create more than 1,300 new jobs in the U.S. by 2014. The new product and other recent investments at Appliance Park has also created hundreds of highly skilled salaried jobs in fields like engineering, industrial design and manufacturing. (Wall Street Journal, February 10, 2012)

2012 Midwest Regional ENERGY STAR Conference — The Midwest Regional ENERGY STAR conference is an opportunity to meet with the entire spectrum of individuals, trade associations and industry professionals that have any role in the production, sale and maintenance of homes, for the purpose of educating Kentuckians and surrounding state neighbors about energy efficiency, ENERGY STAR homes, energy efficient home products and services, financing and marketing of energy efficient homes. The conference will be held March 8 - 9 in Lexington, KY at the Hyatt Regency Hotel. For more information, visit [/www.midwestenergyconference.com](http://www.midwestenergyconference.com) or call Sandy Beck, Home Builders Association of Lexington, at 859-273-5117.

Energy and Environment Cabinet grant funds available — The Kentucky Energy and Environment Cabinet announced that it is seeking proposals from qualified entities to receive funding for projects that fall under the 2011 settlement agreement between the Environmental Protection Agency and the Tennessee Valley Authority (TVA). The settlement requires TVA to invest in new and upgraded state-of-the-art pollution controls that will reduce pollution, save energy and protect public health and the environment. More information on the settlement can be found at www.epa.gov. As part of the settlement, Kentucky will receive \$11.2 million over a five-year period to implement environmental mitigation projects. The Request for Proposal link can be found at <http://energy.ky.gov> (RFP 126 1200000206) and will guide you to <https://emars.ky.gov/online/vss/Advantage>. The RFP can be viewed and printed from this site. Questions regarding the RFP can be submitted electronically to Paul Brooks at paul.brooks@ky.gov until Feb. 23, 2012, at 4:30 p.m. Eastern time.

Two US startups break records for solar energy — Alta Devices and Semprius, have each broken records in their creation of highly efficient solar energy initiatives. Each company makes different kinds of solar panels, but both of them have posted record solar energy efficiency rates in the past few days. Alta Devices, based in Santa Clara, CA, announced that its newly improved panels are clocking in a record-breaking 23.5% efficiency rate, verified by the National Renewable Energy Laboratory (NREL). The previous highest efficiency rating was 22.9%. Durham, NC-based Semprius, which produces concentrated solar panels, have achieved an efficiency rate of 33.9%, which is also a record. Concentrated solar panels differ from traditional solar panels in that they use lenses that focus light up to 1,000 the intensity of natural sunlight. The previously highest recorded efficiency rate for this type of solar energy was 33%. (Vator News, February 8, 2012)

US Nuclear Regulatory Commission Clears New Southern Co Reactor — Southern Co.'s (SO) application for the first new U.S. nuclear reactor in decades received the blessing of the Nuclear Regulatory Commission on Thursday, clearing a regulatory hurdle in the company's quest to lead a wave of reactor construction. As expected, a majority of the five NRC members said Thursday they favor the proposal to build two new reactors at the Vogtle site in Georgia near the South Carolina border. The NRC's staff still have to complete a final administrative review before the license is issued, but that is expected to happen soon. NRC Chairman Gregory Jaczko was the lone dissenting vote against issuing the license. He wanted the license to be conditioned on making "safety enhancements" as a result of meltdowns last year at Japan's Fukushima Daiichi nuclear plant. (FOX Business, February 9, 2012)

These are media summaries. Please consult sources directly to ensure accuracy of information presented. Underlined titles are links to online articles in their entirety.



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Kentucky Retail Fuel Prices (Dollars per gallon)

Product	2/13/2012	2/2/2012	1/26/2012	1/19/2012	Year Ago
Gasoline (State avg.)	3.443	3.412	3.296	3.338	3.057
Ashland	3.468	3.32	3.271	3.418	3.192
Covington	3.447	3.431	3.3	3.344	3.056
Lexington	3.411	3.405	3.249	3.31	3.046
Louisville	3.434	3.4	3.204	3.273	3.000
Owensboro	3.39	3.365	3.33	3.364	3.046
Diesel (State avg.)	3.839	3.782	3.755	3.775	3.448
Ashland	3.867	3.818	3.805	3.801	3.471
Covington	3.749	3.72	3.71	3.724	3.387
Lexington	3.848	3.773	3.719	3.764	3.453
Louisville	3.837	3.738	3.697	3.73	3.419
Owensboro	3.882	3.862	3.838	3.86	3.453

Note: The record high average price for gasoline in Kentucky is \$4.089, reported on July 10, 2008.

Source: [Gasoline \(unleaded regular\) & Diesel: National AAA](#).

Product	2/6/2012	1/30/2012	1/23/2012	1/16/2012	Year Ago
Heating Oil (dollars per gallon)	3.972	3.952	3.937	3.952	3.577
Propane (dollars per gallon)	2.859	2.865	2.864	2.865	2.827

Source: Propane and Heating Oil: http://tonto.eia.doe.gov/dnav/pet/pet_pri_wfr_dcus_nus_w.htm

Wholesale Fuel Prices

Spot Prices	2/10/2012	2/2/2012	1/26/2012	1/16/2012	Year Ago
Crude Oil (Dollars per barrel) <i>West Texas Intermediate, fob</i>	98.67	97.61	99.4	100.59	85.58
Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i>	2.528	2.328	2.625	2.491	3.97

Source: [Wall Street Journal](#)

Futures		12-Mar	12-Apr	12-May
Crude Oil (Dollars per barrel) <i>Light Sweet Crude Oil</i>	2/10/2012	98.67	99.03	99.63
	2/2/2012	97.61	97.99	98.41
	1/26/2012	99.40	99.73	*
Natural Gas (Dollars per MMBtu) <i>Henry-Hub</i>	2/10/2012	2.477	2.656	2.792
	2/2/2012	2.382	2.535	2.638
	1/26/2012	2.769	2.875	*
Propane (Dollars per gallon) <i>Mt Behieu (OPI)</i>	2/10/2012	1.202	1.208	1.215
	2/2/2012	1.277	1.277	1.28
	1/26/2012	1.265	1.263	*
Coal (Dollars per ton) <i>Central Appalachian</i>	2/10/2012	58.05	58.65	58.65
	2/2/2012	58.25	59.4	59.4
	1/26/2012	61.83	62.32	*

Source: [CME Group](#)

*Information not available at time of publication

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